# GOVERNMENT OF THE DISTRICT OF COLUMBIA Office of the Attorney General



# ASSURANCE OF VOLUNTARY COMPLIANCE

The Attorney General for the District of Columbia, on behalf of the District of Columbia ("District"), and Respondent Getaround, Inc. ("Getaround") (and with the District, the "Parties"), hereby enter into this Assurance of Voluntary Compliance ("Assurance"), pursuant to D.C. Code \$28-3909(c)(6), and agree as follows:

# I. THE PARTIES

- 1. The Attorney General for the District of Columbia is the chief legal officer for the District of Columbia. Pursuant to D.C. Code § 28-3909(a)-(b), the Attorney General is authorized to bring legal actions seeking injunctive relief, consumer restitution, civil penalties, costs, and attorneys' fees for violations of the District's Consumer Protection Procedures Act ("CPPA"), D.C. Code § 28-3901 *et seq.* Pursuant to D.C. Code § 28-3909(c), the Attorney General is authorized to negotiate and enter into agreements for compliance by merchants with the provisions of the CPPA.
- 2. Getaround, Inc., doing business as Getaround, is a Delaware corporation with its headquarters and principal place of business at 55 Green Street, San Francisco, California 94111. Getaround engages in the business of operating a car sharing platform, including in the District.

Getaround operates through a website (<u>Getaround.com</u>) and a smartphone application (the "Getaround App").

### II. <u>ALLEGATIONS</u>

- 3. The District alleges Getaround engaged in unfair or deceptive practices under the District's CPPA, including as set forth in D.C. Code § 28-3904(a), (e), and (f), in that Getaround: (1) made untrue or misleading representations regarding the safety and security of its car rental services; (2) misrepresented the nature of Getaround's peer-to peer car rental service; and (3) operated without a license in the District. The District further alleges that Getaround did not collect and/or remit sales taxes from the gross receipts on its rental of vehicles to persons in the District of Columbia. The rental or leasing of vehicles is subject District sales tax at a rate of 10.25% (10% before October 1, 2018).
- 4. Getaround denies it has violated any District consumer protection laws, including the CPPA, and denies that it has violated any District tax laws. Specifically, Getaround states that at all times relevant to the matter, and at all other times, Getaround (1) accurately and completely described the safety and security of sharing vehicles on the Getaround platform; and (2) accurately and completely described the nature of sharing vehicles on the Getaround platform. Getaround further states that it collected and remitted all tax due to the District. Nothing contained in this Assurance is or may be construed to be an admission by Getaround of any violation of law or regulation, or of any other matter of fact or law, or of any liability or wrongdoing.

#### III. <u>DEFINITIONS</u>

5. "Clear(ly) and Conspicuous(ly)" means, when referring to a written statement, a disclosure in a type, size and location sufficiently noticeable for a consumer to read and

comprehend it, and in a print that contrasts with the background against which it appears. A statement may not contradict or be inconsistent with any other information with which it is presented. If a statement modifies, explains, or clarifies other information with which it is presented, it must be presented in proximity to the information it modifies, in a manner that is likely to be noticed, readable, and understandable, and it must not be obscured in any manner or contained or be accessible in a hyperlink, such as in accompanying "Terms and Conditions." An oral disclosure shall be delivered in a volume and cadence sufficient for a consumer to hear and comprehend it and shall not be inconsistent with any previously made statements.

- 6. "Covered Conduct" shall mean Getaround's business practices, acts and omissions, including its representations and disclosures, occurring up to and including the Effective Date arising from or related to: (1) the marketing, advertisements, or consumer-facing statements made by Getaround with respect to the safety and security of its car rental services; and (2) the marketing, advertisements, or consumer-facing statements made by Getaround with respect to nature of Getaround's peer-to peer car rental service.
- 7. "Effective Date" shall be the last date upon which any party executes the Assurance.
- 8. **"Fleet Vehicle"** shall mean any vehicle owned, leased, or controlled by Getaround, its subsidiaries, contractors, agents, affiliates, or any other persons acting on Getaround's behalf, whether directly or indirectly. This definition does not include vehicles privately owned or controlled by a User and made available on the Getaround platform by the Getaround User.
  - 9. "User" shall mean any consumer renting a vehicle through Getaround and any

owner or controller of a vehicle offering the vehicle for rental through Getaround.

10. "Active reservation period" means the period (1) beginning when the shared vehicle becomes subject to the control of the renter pursuant to a reservation made on the Getaround platform, and (2) terminating at earlier of (a) the agreed-upon time established for the renter's use of the shared vehicle pursuant to the reservation made on the Getaround platform or otherwise agreed to by the owner and renter through the platform, or (b) the owner or owner's designee taking possession of the shared vehicle.

#### IV. APPLICATION

11. The provisions of this Assurance shall apply to Getaround and all persons or entities that they control or have the ability to control, including without limitation their principals, officers, directors, employees, agents, successors, assignees, affiliates, merged or acquired entities, or wholly owned subsidiaries of Getaround.

### V. <u>INJUNCTIVE TERMS</u>

- 12. Getaround shall not engage in any act or practice in violation of the CPPA in connection with the offer or sale of any consumer good or service.
- 13. Getaround shall not make any representations that its goods or services have a certification or characteristic that they do not have.
- 14. Getaround shall not make any misrepresentations concerning a material fact that have the tendency to mislead consumers.
- 15. Getaround shall not fail to state any material fact, the omission of which tends to mislead consumers.
- 16. Getaround shall not use any ambiguity as to a material fact which has a tendency to mislead consumers.

Safety and Security Representations

- 17. Getaround shall implement and maintain written policies to ensure timely investigation and resolution of user complaints regarding damage or theft to vehicles on the Getaround platform. The policies required by this Paragraph shall include a simple mechanism for users to report damage or theft of vehicles and shall set forth specific time frames for Getaround and/or their employees/agents to respond to, investigate, and resolve user complaints. Getaround shall provide the policies required under this paragraph to all current employees, principals, officers, directors, and contractors within 60 days of this Assurance. Getaround shall provide the policies implemented and maintained pursuant to this Paragraph to the Office of the Attorney General within 60 days of this Assurance.
- 18. Getaround shall not make any misrepresentation or material omission of fact that has the tendency or capacity to mislead consumers regarding the safety and security of its platform for car owners.
- 19. If Getaround makes any representation regarding safety and security features of its platform for car owners, including representations regarding its "Enhanced Security" feature or the use of lockboxes, Getaround shall Clearly and Conspicuously disclose the limitations of such features, including a disclosure that the features may not protect against all damage and/or theft of owners' vehicles. The disclosures required by this paragraph may be made accessible via a hyperlink or a "pop up" text box that is directly proximate to the representations described in this paragraph.
- 20. If Getaround makes any representation regarding insurance that applies to vehicles on its platform, including representations that trips are insured, covered by insurance, or are "automatically covered," Getaround shall Clearly and Conspicuously disclose all terms and

conditions for the coverage, including exclusions for incidents that take place when vehicles listed on the platform are not in a rental by a User. The disclosures required by this paragraph may be made accessible via a hyperlink or a "pop up" text box that is directly proximate to the representations described in this paragraph.

21. Getaround shall not represent that its service or support team is available "24/7" "around the clock," or any other similar representation, unless users can speak or communicate by a phone, text or chat feature with a live customer service or support representative at the stated times, subject to reasonable allowance for delays due to customer demand.

#### Fleet Vehicle Representations

- 22. If Getaround offers to rent a Fleet Vehicle to a consumer, Getaround shall Clearly and Conspicuously disclose that the Fleet Vehicle is owned, operated, or controlled by Getaround. The disclosures required by this paragraph shall appear on the landing page for each respective Fleet Vehicle on the Getaround website and the Getaround App.
- 23. Getaround shall not represent that a Fleet Vehicle is owned, operated, or controlled by anyone other than Getaround.
- 24. Getaround shall not list user profiles on its platform in connection with the rental of Fleet Vehicles, other than a profile in which the user is listed as Getaround.

# Licensing and Taxation Requirements

25. Getaround shall maintain all licenses required for Getaround to do business in the District in good standing and pay all taxes owed on its business activities in the District.

Getaround agrees that car sharing transactions are subject to the District's sales and use tax at a rate of 10.25% and it will collect and remit the tax as such, absent a material change in Getaround's operations in the District or District law, regulation, or applicable guidance.

### VI. RESTITUTION PAYMENT TERMS

- 26. Getaround shall pay the District restitution equal to the amount necessary to resolve all Eligible Complaints from consumers that concern conduct occurring before the date of this Assurance and that relate to thefts or damage to vehicles owned by Getaround Users, which the owner claims were caused in whole or in part by being listed for sharing on the Getaround platform at the time the theft or damage occurred.
- 27. The following are not considered Eligible Complaints and are not valid claims for restitution under this Assurance: (i) claims that Getaround has already resolved with a consumer; and; (ii) claims that allege theft or damage caused during an Active Reservation Period.
- 28. To be an Eligible Complaint, the complaining consumer must have (i) owned a vehicle offered for car sharing on the Getaround platform in the District of Columbia,

  (ii) already lodged a complaint with the Office of the Attorney General or Getaround, or make a complaint with the Office of the Attorney General or Getaround within thirty (30) days of the Effective Date of this Assurance; (iii) allege theft or damage to the vehicle was caused in whole or in part by listing the car for sharing on the Getaround platform; and (iv) the alleged theft or damage occurred when the vehicle was actively listed as available for sharing in the District of Columbia on the Getaround platform. Getaround may credit any amounts it has previously paid consumers in connection with an Eligible Complaint against any amounts owed under this paragraph.
- 29. The District shall provide Getaround information concerning any consumers it has identified as having Eligible Complaints. Within thirty (30) days of receiving the Eligible Complaint information provided by the District, and based on this information, as well its own review of its business records to identify any other consumers owed restitution under this

Assurance, Getaround shall provide the District a list of consumers it is aware of as having Eligible Complaints (the "Consumer List"). Getaround shall produce the Consumer List in electronic form. For each consumer whose name is contained on the Consumer List, Getaround shall provide the following information in the form of a spreadsheet, with each item below contained in a separate field:

- a. the consumer's first name:
- b. the consumer's last name;
- c. the consumer's street address;
- d. the city, state and zip code;
- e. a summary of the complaint;
- f. Getaround's response to the complaint;
- g. the total of any amount Getaround has already refunded or paid to the consumer; and
- h. the total monetary amount sought by the complaining consumer.
- 30. For a period of two (2) years following the Effective Date of this Assurance, Getaround shall maintain all of the records in its possession concerning consumers identified in the Consumer List and the consumers' complaints. Getaround shall provide the District access to such documents upon request.
- 31. Subject to the claims procedure described in paragraphs 35 to 37 below,
  Getaround shall pay restitution it owes under this Assurance within thirty (30) days of providing
  the Consumer List to the District by sending a check or remitting payment in another method
  agreed to by the District (e.g., a charge back to a credit card or direct deposit) to each consumer
  listed on the Consumer List in the amount that the consumer claims he or she is owed, less any

refunds already paid by Getaround to the consumer. Any check Getaround delivers to a consumer pursuant to this paragraph shall be valid for ninety (90) days. Getaround shall provide notice to the District of each payment that it makes pursuant to this paragraph within fifteen (15) days of delivering a check or otherwise remitting payment to a consumer. Such notice may be provided in a summary format and shall include (i) the identity of the consumer receiving the payment; (ii) the date the payment was transmitted; and (iii) the amount of the payment.

- 32. If Getaround intends to challenge the eligibility of any consumer listed in the Consumer List to receive restitution either because Getaround contends the complaint lacks merit or it disagrees with the amount of relief sought by the consumer, it may do so by submitting the consumer's complaint for resolution pursuant to the claims procedures outlined in paragraphs 35 to 37below.
- 33. No later than one hundred twenty (120) days following its payment of the restitution amounts pursuant to paragraph 31, Getaround shall deliver to the District:
  - i. documents reflecting a restitution payment to a consumer;
  - j. a list of all consumers who did not deposit their restitution check; and
  - k. a payment to the District in the amount of all un-deposited checks. Any part of this payment may, at the discretion of the Attorney General, be deposited in the District's restitution fund or litigation support fund.
- 34. For a period of ninety (90) days from the Effective Date of this Assurance, Getaround shall resolve any further Eligible Complaints it receives in addition to those contained in the Consumer List either by (i) paying restitution to complaining consumers within thirty (30) days of their receipt of the consumers' complaint and documenting the payment of restitution pursuant to this paragraph by providing the District a copy of any cancelled check evidencing

such payment or (ii) submitting the Eligible Complaint for resolution consistent with the procedures set out in this Assurance at paragraphs 35 to 37 below.

#### Claims Procedure

- 35. If Getaround contends that any Eligible Complaint submitted pursuant to paragraphs 26 through 29 of this Assurance is not eligible for a restitution payment (a "Disputed Complaint"), Getaround shall, within thirty (30) days of producing the Consumer List or its initial receipt of an Eligible Complaint, whichever occurs later, resolve the disputed claim using the following claim resolution procedure:
  - 1. Within thirty (30) days of the first instance of Getaround's disputing the eligibility of a consumer to receive restitution under this Assurance, it shall hire a neutral third party (the "Claims Administrator") to resolve Disputed Complaints under this Assurance. Getaround shall hire and pay for the Claims Administrator, but the selection of the Claims Administrator shall be subject to approval by the District. To be eligible for appointment, the Claims Administrator must agree to remain available to resolve disputed claims for the entire period of time remaining under paragraph 35 of this Assurance.
  - m. Within ten (10) days of the Claims Administrator being appointed, Getaround shall simultaneously (i) mail consumers from whom it has received Disputed Complaints the Claim Form attached hereto as <a href="Exhibit A">Exhibit A</a> and (ii) provide the Claims Administrator and the District a copy of the following: (A) the consumer's Disputed Complaint, (B) all documents provided by the consumer concerning the Disputed Complaint, (C) all other documents or information relief upon by Getaround in declining to pay restitution to the consumer, and

- (D) any other relevant information to the Disputed Complaint in Getaround's possession. If the Claims Administrator has not received a Claims Form from a consumer within thirty (30) days of receiving the Disputed Complaint, the Claims Administrator shall attempt to contact the consumer once by both email and telephone to request the Claims Form before considering the claim abandoned.
- n. The Claims Administrator shall request from Getaround and consumers any additional information the Claims Administrator deems necessary to make a full and fair decision regarding any Disputed Complaint.
- o. The Claims Administrator may resolve a Disputed Complaint solely based on the information provided pursuant subparagraphs (b) and (c).
- p. The Claims Administrator may conduct hearings on Disputed Complaints by telephone when requested by either party or when the Claims Administrator deems it necessary. The consumer shall be informed in writing of the option for a telephone hearing. No state or federal rule of evidence shall apply to the Claims Administrator's review, including any telephonic hearing conducted pursuant to this paragraph. However, no *ex parte* communications with the Claims Administrator shall occur in connection with any challenged claim other than for purposes of the Claim Administrator requesting and receiving information from Getaround or a consumer.
- q. The Claims Administrator shall issue a written decision regarding the review of any Disputed Complaint within a reasonable period of time, but in no event later than sixty (60) days following receipt of the Disputed Complaint or any

- supporting documentation without good cause. The Claims Administrator's decision shall be binding on Getaround.
- r. The Claim Administrator shall deliver any decision pursuant to this paragraph to Getaround, the District, and the consumer. In the event a decision issued by the Claims Administrator requires Getaround to provide restitution to a consumer, Getaround shall pay that amount to the consumer within thirty (30) days of receiving the decision.
- 36. At the request of Getaround or the District, the Claims Administrator or his or her designee shall meet and confer with Getaround and the District for any purpose relating to the administration of the claims review process, including, but not limited to, monitoring and auditing the claims review process.
- 37. Notwithstanding the claims procedure provided in paragraphs 34 to 36, if it appears from the face of the complaint that it is not an Eligible Complaint under paragraphs 27 and 28, Getaround may provide notice of that determination to the District within thirty (30) days of receiving the complaint. Such claims are not subject to the claims procedure provided in paragraphs 35 and 36 unless the District disagrees with Getaround's determination and provides notice of such disagreement to Getaround within thirty (30) days of receiving the determination from Getaround.

# VII. PAYMENT TO THE DISTRICT

- 38. Getaround shall pay the District a total of \$950,000.
- 39. Getaround shall make an initial payment of at least \$237,500 within 30 days of the Effective Date of this Assurance.
  - 40. Getaround shall make the remaining payment owed under paragraph 38 by or on

October 15, 2021.

41. If Defendant fails to make a payment required by paragraphs 39 or 40, the District reserves the right in its sole discretion to require the remainder of the payment and Defendant consents to entry of a judgment of the full amount of the remainder of the payment owed under paragraph 38.

# VIII. ADDITIONAL TERMS

- 42. This Assurance shall be considered effective and fully executed on the last date upon which any party executes the Assurance. This Assurance may be executed in counterparts, and copies of signature pages transmitted electronically shall have the same effect as originals of those signature pages.
- 43. Unless otherwise set forth above, Getaround shall implement all changes required by this Assurance within forty-five (45) days of the date of this Assurance.
- 44. Getaround shall not cause or encourage third parties, or knowingly permit third parties acting on its behalf, to engage in practices from which Getaround is prohibited by this Assurance.
- 45. This Assurance represents the full and complete terms of the settlement entered by the Parties. In any action undertaken by the Parties, neither prior versions of this Assurance nor prior versions of any of its terms may be introduced for any purpose whatsoever.
- 46. In entering into this Assurance, the parties are neither extinguishing any rights otherwise available to consumers, nor creating any right not otherwise available under the laws of the District of Columbia.
- 47. This Assurance may be executed in counterparts, and a facsimile or .pdf signature shall be deemed to be, and shall have the same force and effect, as an original signature.

48. All notices sent pursuant to this Assurance shall be provided to the following address via first class and electronic mail, unless a different address is specified in writing by the party changing such address:

Benjamin Wiseman Director, Office of Consumer Protection Office of the Attorney General 400 6th St., NW Washington, D.C. 20001

For the Plaintiff District of Columbia

Andrew Byrnes
Deputy General Counsel
Getaround, Inc.
55 Green Street
San Francisco, California 94111
andrew.byrnes@getaround.com

Nicholas Green\*
Orrick, Herrington & Sutcliffe LLP
51 West 52nd Street
New York, NY 10019
ngreen@orrick.com

\*Electronic mail sufficient/First Class duplicate not required.

For the Defendant Getaround, Inc.

- 49. Any failure by any party to this Assurance to insist upon the strict performance by any other party of any of the provisions of this Assurance shall not be deemed a waiver of any of the provisions of this Assurance, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Assurance.
- 50. If any clause, provision or section of this Assurance shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Assurance and this Assurance shall be construed and

enforced as if such illegal, invalid or unenforceable clause, section or other provision had not been contained herein.

51. Nothing in this Assurance shall be construed as relieving Getaround of the obligation to comply with all state and federal laws, regulations or rules, nor shall any of the

provisions of this Assurance be deemed to be permission to engage in any acts or practices

prohibited by such laws, regulations, or rules.

52. Getaround shall deliver a copy of this Assurance to each of its current and future

principals, officers, directors, and managers having decision-making authority with respect to the

subject matter of this Assurance.

53. Getaround shall not participate, directly or indirectly, in any activity or form a

separate entity or corporation for the purpose of engaging in acts or practices in whole or in part

that are prohibited in this Assurance or for any other purpose that would otherwise circumvent any

part of this Assurance or the spirit or purposes of this Assurance.

54. Getaround agrees not to file claim(s) for refund for its sales and use taxes for the

periods ended September 30, 2015 through March 31, 2020.

55. The Parties have agreed to the terms of this Assurance to resolve the District's

allegations against Getaround. The District shall release Getaround from all claims that the

Attorney General asserted or could have asserted under the Consumer Protection Procedures

Act, D.C. Code § 28-3901 et seq. This Assurance further constitutes a settlement of all

claims and issues that have been raised, or could have been raised, by either party in

connection with the Getaround's sales and use taxes for the periods ended September 30,

2015 through March 31, 2020.

KARL A. RACINE

Attorney General for the District of Columbia

Be Win Date: 7/22/2021

Benjamin Wiseman Director, Office of Consumer Protection Office of the Attorney General 400 6th St., NW Washington, D.C. 20001

# For Plaintiff District of Columbia

\_\_\_\_\_ Date: 7/21/2021

General Counsel Getaround, Inc. 55 Green Street San Francisco, California 94111

For Defendant Getaround, Inc.